

2016-2017 ALA CD #33.1

2016-2017 Annual Conference

Budget Analysis And Review Committee (BARC)

**Budget Analysis and Review Committee (BARC) Report
to
The ALA Council, Executive Board, Membership
and
The Planning and Budget Assembly**

Ann M. Martin – BARC Chair

**Annual Conference – Chicago, IL
Saturday – June 24, 2017
Sunday – June 25, 2017**

BARC Report Topics

Budget Update

- Fiscal Year 2017 YTD Results
 - Eight Months Ending 4-30-17
- Fiscal Year 2018 Budget
 - BARC Discussed and Approved Preliminary Budgetary Ceiling Adjustments

Other Activities

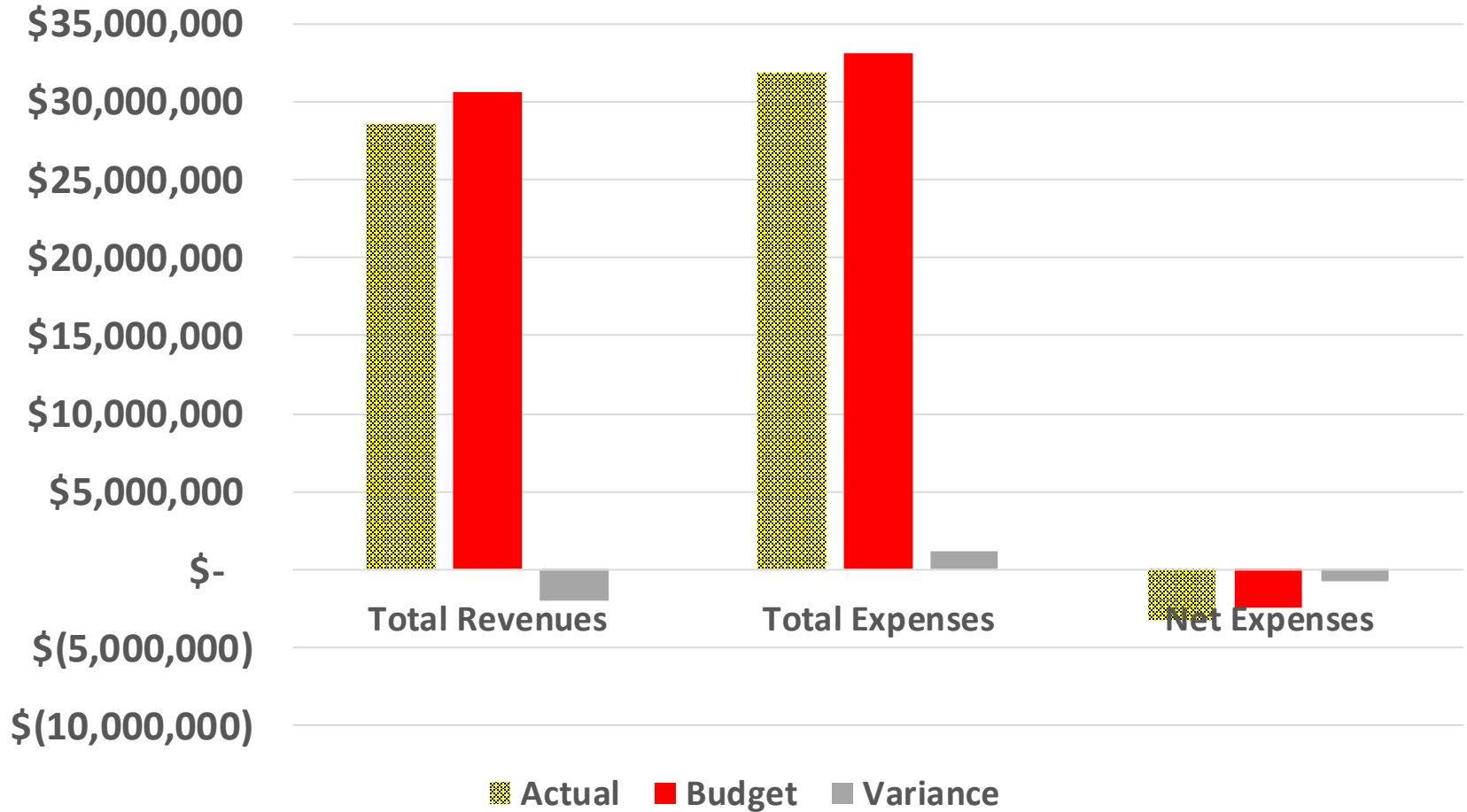
- Response to Council Resolution on Library Services to Refugees and Displaced Persons
- ALA Financial Learning Series

Budget Orientation

- **Current ALA Fiscal Year 2017**
 - Sept 1, 2016 – August 31, 2017
- **Annual Finances involve 3 fiscal years**
 - FY 2017 – Eight month report (September - April)
 - FY 2018 – Adjust/finalize after review of the FY 2017 projections
 - FY 2019 – Preliminary discussions

FY 2017

Total ALA - YTD 4-30-17



▪ The Association continues to be a financially strong and sound organization

Total ALA

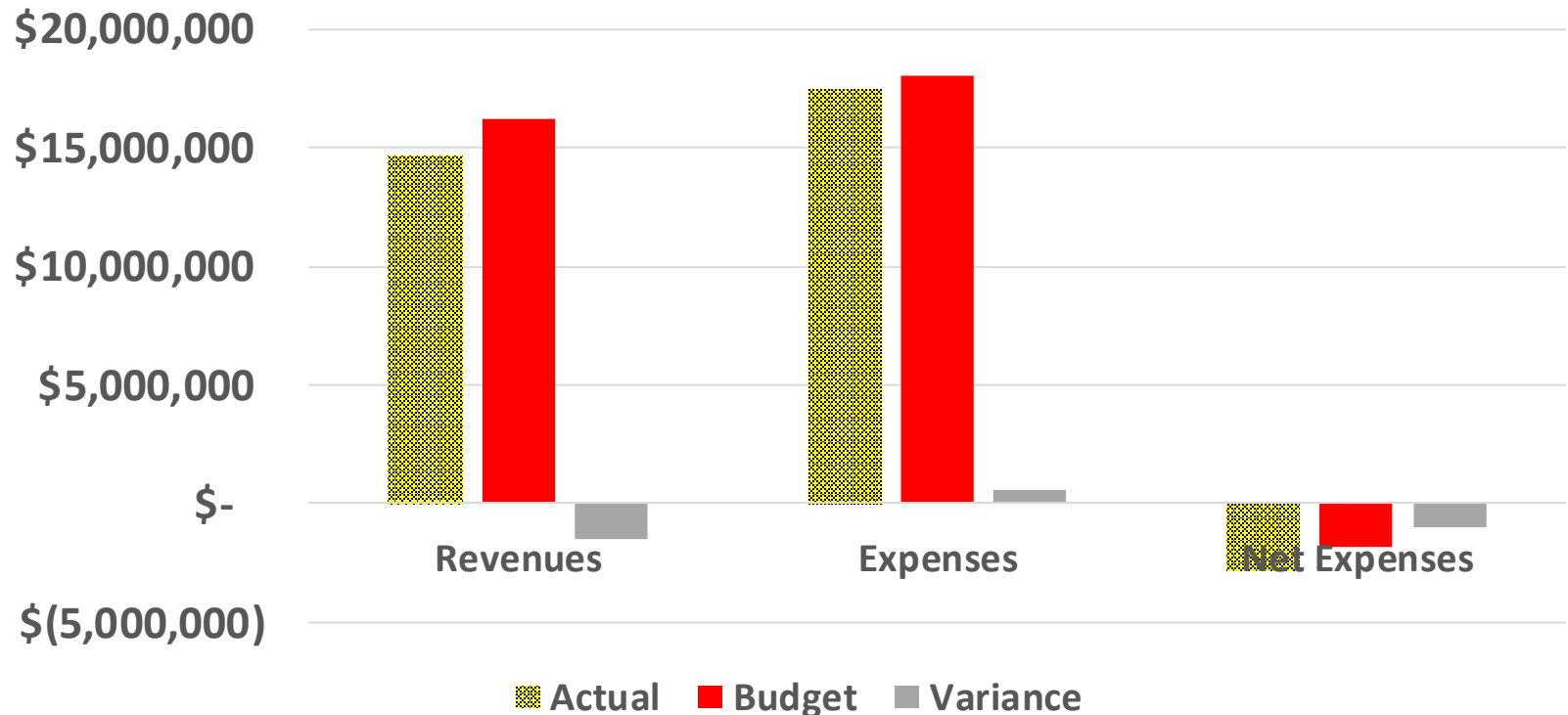
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>Apr-16</u>	<u>Apr-17</u>	FY 2017 <u>Budget</u>	Budget <u>Variance</u>
Total Revenues	\$ 32,331,346	\$ 28,631,508	\$ 30,601,315	\$ (1,969,807)
Total Expenses	<u>\$ 33,109,248</u>	<u>\$ 31,591,378</u>	<u>\$ 32,823,682</u>	<u>\$ 1,232,304</u>
Net Revenue	\$ (777,902)	\$ (2,959,870)	\$ (2,222,367)	\$ (737,503)

FY 2017

General Fund - YTD Highlights



- Revenue was lower than budget by (\$1.5 million) primarily from:
 - Publishing Services (\$1.0 million): Editions (\$451,743), Booklist (\$276,344) and Graphics (\$176,320)
 - Midwinter Meeting activities (\$299,070)
 - Dues (\$170,053)
- Expenses are under budget with expense savings of \$543,478

General Fund

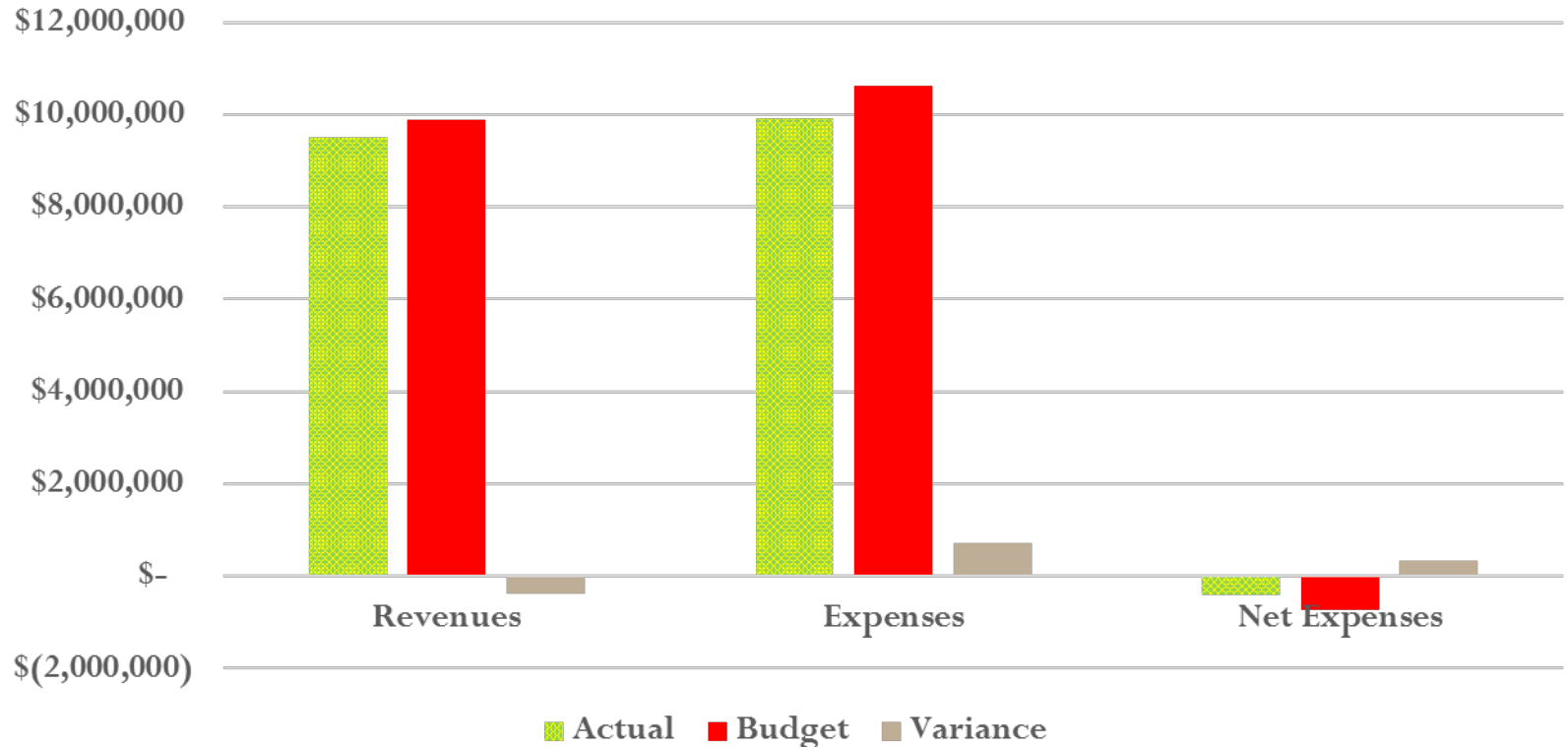
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>Apr-16</u>	<u>Apr-17</u>	FY 2018 <u>Budget</u>	<u>Budget Variance</u>
Total Revenues	\$15,425,705	\$ 14,674,243	\$16,211,139	\$(1,536,896)
Total Expenses	<u>\$17,317,199</u>	<u>\$ 17,220,549</u>	<u>\$17,764,027</u>	<u>\$ 543,478</u>
Net Revenue	\$(1,891,494)	\$(2,546,306)	\$(1,552,888)	\$ (993,418)

FY 2017

Divisions - YTD Highlights



- Division revenue less than budget by \$370,408 primarily in PLA and Choice
- Division expenses less than budget by \$772,659 primarily in Choice, PLA and ALSC
- Net expenses were less/better than budget by \$372,659

Divisions

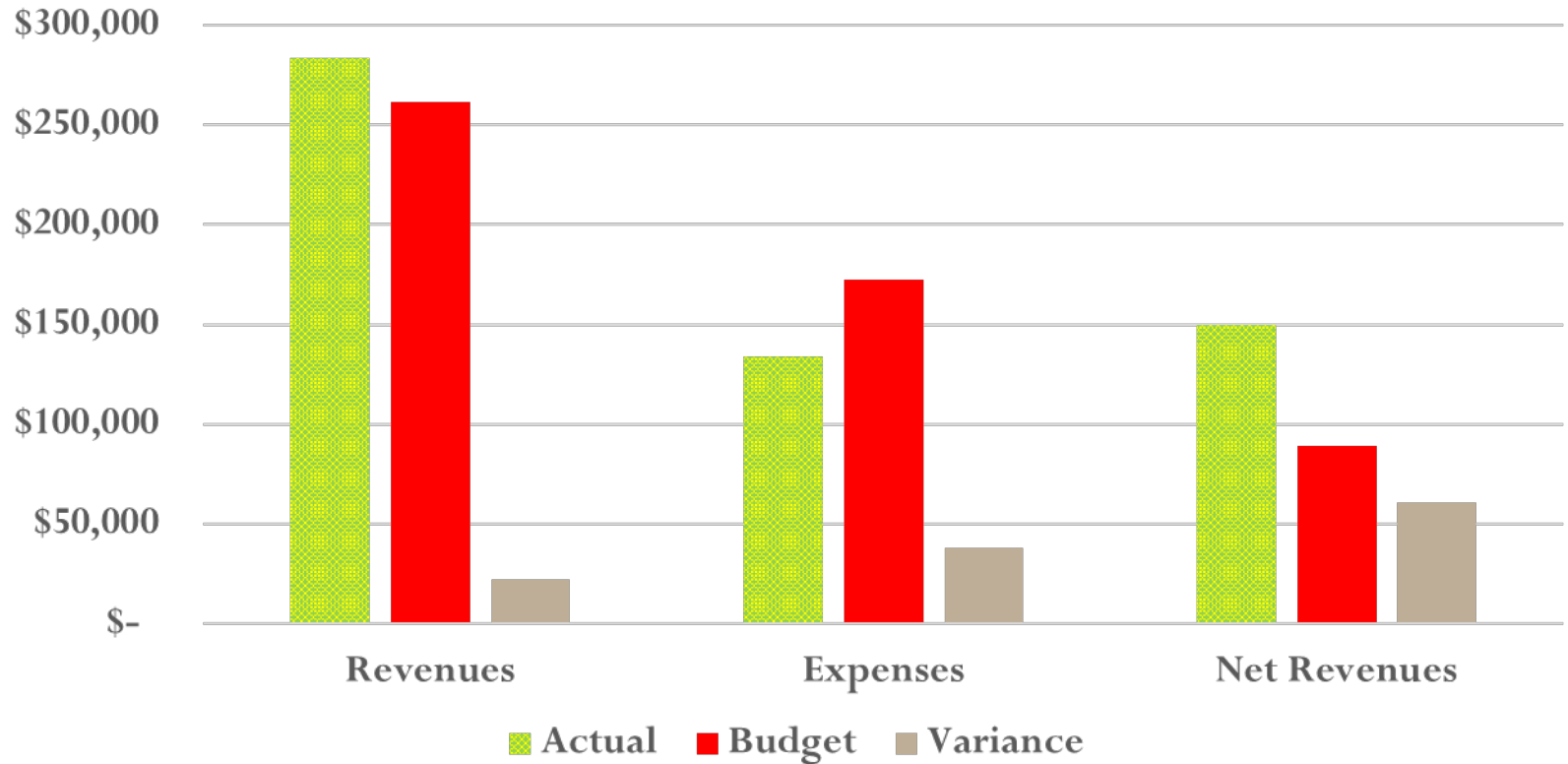
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>Apr-16</u>	<u>Apr-17</u>	<u>FY 2017 Budget</u>	<u>Budget Variance</u>
Total Revenues	\$11,751,594	\$ 9,507,141	\$ 9,877,549	\$ (370,408)
Total Expenses	<u>\$10,986,110</u>	<u>\$ 9,913,858</u>	<u>\$10,616,517</u>	<u>\$ 702,659</u>
Net Revenue	\$ 765,484	\$ (406,717)	\$ (738,968)	\$ 332,251

FY 2017

Round Tables - YTD Highlights



- Revenues were more than budget by \$22,440 at \$283,701, primarily in EMIERT
- Expenses less than budget by \$38,195 at \$134,152
- Net revenue was more than budget by \$60,635 at \$149,549

Round Tables

Revenues/Expenses/Net Revenue

Eight Month Results

	<u>Apr-16</u>	<u>Apr-17</u>	<u>FY 2017 Budget</u>	<u>Budget Variance</u>
Total Revenues	\$ 253,780	\$ 283,701	\$ 261,261	\$ 22,440
Total Expenses	<u>\$ 131,069</u>	<u>\$ 134,152</u>	<u>\$ 172,347</u>	<u>\$ 38,195</u>
Net Revenue	\$ 122,711	\$ 149,549	\$ 88,914	\$ 60,635

Fiscal Year 20xx

Total ALA Budgetary Ceiling

Net Assets

(Unexpended balance remaining from fiscal year closing)

+

Revenue

(Anticipated in upcoming fiscal year)

=

Budgetary Ceiling

Fiscal 2018 Budgetary Ceiling

ALA Fiscal Year 2018 Budgetary Ceiling - Annual Conference

Background and purpose: As part of ALA's annual budget process, a budgetary ceiling is calculated and presented to the Budget Analysis and Review Committee (BARC) for approval. The budgetary ceiling document captures and presents all available resources, or sources of funds, that can be expended during the subsequent fiscal year. Sources include a starting amount represented by any accumulated Net Asset Balances, where applicable, built up over previous fiscal years. Additionally, these Net Asset balances are supplemented by budgeted revenues as well as any inter-fund transfers. The total of these sources represents the ceiling, or maximum available resources from all sources. BARC is charged with reviewing and approving the individual fund ceilings and Total All Funds ceiling presented in the bottom row below.

	General Fund*	Divisions	Round Tables	Grants & Awards	Long-term Investment	TOTAL ALL FUNDS
A) Net Asset Balance (projected at end of FY 2017)	Not Applicable	13,116,128	1,789,877	Not Applicable	Not Applicable	14,906,005
FY 2018 Budgeted Revenues (before transfers)	29,132,844	15,743,879	417,090	4,551,555	1,702,429	51,547,797
FY 2018 Budgeted Revenue Transfers:						
Interest & dividend transfer to\from General Fund	588,583				(588,583)	0
Spectrum interest & dividends					221,188	221,188
Life Member Dues	73,000	12,825			(85,825)	0
Continuing Members	(2,400)	2,400				0
B) Total Revenues (budgeted plus transfers)	29,792,027	15,759,104	417,090	4,551,555	1,249,209	51,768,985
A+B) = TOTAL ALA BUDGETARY CEILING (for approval)	29,792,027	28,875,232	2,206,967	4,551,555	1,249,209	66,674,990

Resolution on Library Services to Refugees and Displaced Persons

- BARC reviewed the resolution to determine whether the components of the resolution would have a financial impact on ALA.
- After reviewing the proposed scope and charge of the Working Group, BARC determined that there would be significant financial impact in terms of staff support.
- Results of the review included examining the efforts of ODLOS including the ODLOS Advisory Committee.
- **BARC DECISION:** To preserve the sustainability and effective organizational structure of ALA, it is both most effective and most cost efficient for existing bodies within ALA to do this work.

ALA *Financial Learning* Series

Topics of Webcasts

- **Budget Planning for a Pre-Conference or a One Time Event**
- **Organizational Structure**
- **Budget Cycle and Process**
- **The Operating Agreement**
- **The Long-Term Investment Fund**
- **Round Tables Financial Orientation**

Online ALA *Financial Information*

Treasurer's Page

- Offers Reports, Resources and Links to the Six Webcasts
- <http://www.ala.org/aboutala/treasurerspage>

Financial Handbook

- A Reference Manual for ALA Members and Staff
- <http://www.ala.org/aboutala/treasurerspage>

ALA Online Learning Offerings by Unit

- Brief Descriptions of Units' Learning Programs
- <http://ala.org/onlinelearning/unit>
- ALA YouTube Channel - Financial Learning Series Playlist
 - <https://www.youtube.com/playlist?list=PL4234E31B4C2F3EE9>

Online ALA *Financial Information*

ALA Online Learning Webcasts

- **Organizational Structure**
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnorgstructure>
- **Operating Agreement**
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnoa>
- **Budget Cycle and Process**
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnbudgetcycle>
- **Long Term Investment Fund – Endowment**
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnfund>
- **Round Tables and Financial Orientation**
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnroundtables>
- **Budget Planning for Conferences and Other One Time Events**
 - <http://www.ala.org/aboutala/budget-planning-pre-conferences-and-other-one-time-events>

Thank You!

**Ann M. Martin
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